

Office Memorandum • UNITED STATES GOVERNMENT

STATINTL

TO :

FROM :

SUBJECT:

10-4619a

Mr. David L. MacFarlane
Box 224
McGill University
Montreal 2, Canada

Dear Mr. MacFarlane:

In reply to your letter of June 10th, regarding my statement that the Russians would "dump anything," what I said is as follows:

"...Once they (the Russians) have penetrated Western European markets to the extent that these markets become substantially dependent on Soviet industrial raw materials, they will have available a new and formidable weapon of economic warfare. By withholding supplies, by capriciously raising prices, or by dumping commodities, the Soviets will in effect have a seat at the council table of the great industrial nations of Europe."

This excerpt is from a speech I delivered to the Chamber of Commerce of the United States which dealt with the general subject of Khrushchev's economic challenge to the West. We have already seen the effect of Soviet marketing practices on Canadian aluminum sales in the London metal market. As you know, the Soviets recently have not only sold aluminum well below the going market price, but also indicated that they were prepared to cut prices as far as necessary to penetrate this market. My remarks were not in the context of United States-USSR commercial competition, but were a broader warning of Soviet export capabilities to the Free World.

I cannot, of course, reply to your observations on activities of our Departments of State and Agriculture, but have forwarded copies of your letter to those departments.
~~See comment.~~

Sincerely,

Allen W. Dulles
Director

Distribution

- 0 - Addressee
- ✓ 2 - DCI
- 1 - DDCI
- 2 - DDI
- 2 - AD/PR
- 1 - Ch/E/RR

APPROVED:

STATINTL

STATINTL
STATINTL

OMR:Ch/E/RR/ [redacted] (7 July 1958)

[redacted]
Deputy Director/Intelligence

ER 10-4619/a

9 July 1958

Mr. David L. MacFarlane
Box 224
McGill University
Montreal 2, Canada

Dear Mr. MacFarlane:

With reference to your letter of June 10, 1958,
Allen Dulles, Director of Central Intelligence has asked
me to send you a copy of his speech to which you refer.
A copy is enclosed.

Sincerely,

SIGNED

Stanley J. Grogan
Assistant to the Director

Enc

STATINTL

OHR:Ch/E/RR/[] (7 July 1958)

Rewritten: ODCI/SJGrogan/ppp: (9 July 1958)

Distribution

Orig - Add
2 - DCI
1 - DDCI
2 - DDI
2 - AD/RR
1 - Ch/E/RR
2 - SJGrogan

10-4619



McGILL UNIVERSITY
MONTREAL 2
Box 224

June 10th, 1958.

Mr. Allen Dulles,
Central Intelligence Agency,
Washington 25, D.C., U.S.A.

Dear Sir:

You are reported in yesterday's paper as stating that in trade competition with the United States Russia would ".....dump anything.....". I am afraid that I must report that most Canadians would sit back and observe with amusement competitive dumping by Russia and the United States. What we dislike more than dumping is to have the Secretary of Agriculture, as he has on two or three occasions, lecture Canadians on the moral benefits of competitive free enterprise and of marketing farm products commercially, and then return to Washington and sign a new batch of dumping authorizations.

I am also afraid that Canadians would not respond well to attempts to solve these problems by endeavours to establish a new propaganda in the Embassy in Ottawa, as reported in to-day's paper. What is needed is some small show of good faith in trade regulations.

I attach additional copies of this letter in the event that you might wish to send them to the Secretary of State and the Secretary of Agriculture.

Cordially,

David L. MacFarlane.

DLM:EP.

UNCLASSIFIED				CONFIDENTIAL				SECRET			
CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP											
TO	NAME AND ADDRESS						INITIALS		DATE		
1	DD/I						JUL		1958		
2	AS/RR						JUL		1958		
3	Dr. Allen						JUL		7/8/58		
4	DD/I - [REDACTED]						JUL		1958		
5	DCI										
6											
ACTION				DIRECT REPLY				PREPARE REPLY			
APPROVAL				DISPATCH				RECOMMENDATION			
COMMENT				FILE				RETURN			
CONCURRENCE				INFORMATION				SIGNATURE			
Remarks:											
<p>For preparation of a direct reply. For your information, I am attaching a copy of the Director's Chamber of Commerce speech (note Page 8). Suggest that the reply be coordinated with Col. Grogan.</p> <p>Any suggestions on how to answer this one? [REDACTED]</p> <p>Phyl: We have not checked this out with Col. Grogan. [REDACTED]</p>											
FOLD HERE TO RETURN TO SENDER											
FROM: NAME, ADDRESS AND PHONE NO.								DATE			
[REDACTED]								Asst. to the DCI 17 June 58			